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State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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Division Director

August 14, 2008

Harold Roberts
Denison Mines (USA) Corp.
1050 17th Street, Suite 950
Denver, Colorado 80265

Subject: First Review of Amended Notice of Intention to Commence Large Mining Operations, Denison Mines (USA) Corp., Tony M Mine, M0170049, Task 2449, Garfield County, Utah

Dear Mr. Roberts:

The Division has completed a review of your amended notice of intention to commence large mining operations for the Tony M mine, located in Garfield County, Utah, which was received June 6, 2008. The attached comments will need to be addressed before the amendment can be approved.

The comments are listed under the applicable Minerals Rule heading. Please address only those items requested in the attached technical review by sending replacement pages of the original mining notice using **redline and strikeout** text, so we can see what changes have been made. After the amendment is determined technically complete and we are prepared to issue final approval, we will ask that you send us two clean copies of the complete and corrected amendment. Upon final approval, we will return one copy stamped "approved" for your records.

The Division will suspend further review of the Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me at 801-538-5320, or Tom Munson at 801-538-5321, Paul Baker at 801-538-5261, or Leslie Heppler at 801-538-5257 of the minerals staff. Thank you for your cooperation in completing this permitting action.

Sincerely,

Dana Dean P.E.
Associate Director of Mining

DD:PBB:eb
Task 2449

Attachment: Review

cc: Will Stokes, SITLA
Buzz Rakow, Hanksville BLM

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**REVIEW OF AMENDED NOTICE OF INTENTION
TO COMMENCE LARGE MINING OPERATIONS**

**Dennison Mines
Tony M Mine
M0170049
August 14, 2008**

General Comments:

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
1	General	Section 5.0 of the drainage plan references the original two pond system for the facilities area. This section and any other references need to be updated in the plan to the current proposal of the one pond system within the facilities area.	TM	

R647-1-102. Introduction.

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
		The plan fails provide for a UPDES permit for the storm water pond found within the facilities area. An inspection report from the Division of Water Quality says, "... it appears that there is a possibility that during a storm event there could be some runoff from the exposed ore on the ore pad that could reach the storm water pond. If storm water and process water do come in contact with each other then the water in the pond would be considered process water and would need and [sic] individual UPDES permit for any discharge." It is the Division's opinion that a UPDES permit is needed and if this pond discharges that it would be in violation of the Clean Water Act. The Division considers this discharge a definite possibility and requests that the operator look into permitting this pond under the UPDES program.	TM & PBB	

R647-4-106 - Operation Plan

106.6 Plan for protecting & redepositing soils

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
	Page 21, Section 106.6	Please modify the table at the beginning of this section so it is clear and consistent with the text. The table says 7-15 inches of soil would be salvaged from 7.3 acres, but the text says 5-10 inches was taken from an area less than 7.3 acres (which the Division calculates as being 4.5 acres). So the table is complete, please also include the material from the waste rock pile in this table (9000 cubic yards). The Division prefers having the table, but, alternately, the table could be eliminated.	PBB	

R647-4-113 – Surety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
	Page 13, Para 4	Need to add an additional tank to the surety calc sheet Table 3 Page 1 of 1	lah	
	Page 13, Para 6	Review number of 55 gallon barrels?? Listed in the narrative to the surety calc sheet Table 3 Page 1 of 1 (2,000 gal listed)	lah	
	Attachment I	Spill Prevention Control and Countermeasure Plan – Fluid storage tanks are noted and labeled AST #1 thru #8 and Misc petroleum products, it is suggested that the surety sheets follow the same labeling system for consistency	lah	
	Exhibit G-1	As-built for laydown yard shown at ~2 acres; surety bond listed as a size of .17 acre on Table 1 page 2 of 2. Either up the bond disturbance area or define on the map where the 0.17 acres will be.	lah	
	Appendix A & elsewhere in text	"On site disposal" Any waste matter, structures, infrastructures, facilities or equipment that is disposed of "on site" - the area location needs to be surveyed and documented for future reference.	lah	